

Examiners' Report/ Principal Moderator Feedback

Summer 2010

GCE

GCE Applied Business (6925) Paper 01

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PE report on examination paper 6925/01

General Comments

The feedback given below is based on comments from all examiners involved in marking this unit.

The main scenario, related to an estate agent, *Javelin*, and the economic conditions in the housing market in 2008 and 2009, was well received by candidates. It did require careful reading of the information given in the paper, rather than relying on personal experience and understanding. Good analysis and application were, as always with this paper, crucial.

Questions 7 and 8 required good knowledge and understanding real marketing campaigns, which some candidates still find challenging. These questions were not as well answered by many candidates as they have been in previous papers. Questions 8 caused problems because some candidates did not know what a loss leader was, even though it was explained in the stem. The answers to Question 7 were better, but many candidates clearly had very limited knowledge of the actual campaigns being carried out.

Unfortunately the usual perennial weaknesses remain, despite them being flagged up after every series. They are:

- Not reading the questions carefully enough
- Not considering the context of the question in sufficient depth
- Not understanding some very basic terminologies
- Not considering the number of marks being awarded for a question
- Writing to the space provided, especially for candidates with large handwriting.
- Not developing answers.

Comments on Individual Questions

1(a)(i)

The vast majority of candidates had no difficulty in identifying a suitable marketing objective, although this was sometimes put as an almost secondary consequence of a marketing decision. Most candidates also referred to some aspect of the information in Figure 1 that supported having the objective that they had given. Only the best candidates then went on to explain why the information given in Figure 1 supported the objective.

Despite the clear instruction to use the information in Figure 1, some candidates did not do this, so scored only 1 mark. Some candidates gave objectives, such as firing some of the staff, which were not clearly marketing decisions. Some candidates used most of their time giving details of how the objective would be achieved, i.e. the tactical decision, rather than explaining why the objective was likely.

1(a)(ii)

There were few candidates who could not provide a suitable tactical decision, but only the better candidates went on to explain how this would effectively achieve the objective that had been given in part (i). There are still some candidates who muddle up tactical and strategic decisions.

1(b)

Dynamics of the market is a fairly wide term and this allowed most candidates to give answers that explained why this was important for *Javelin*. Some candidates did not consider any definite aspect of the term and simply wrote about why market research in general would be useful. The question had asked why this would be important in 2009, but some candidates did not refer to conditions of the market at that time. All parts of all questions need to be considered in the answers.

2(a)

There is clearly some confusion in students' minds as to what above-the-line (ATL) and below-the-line (BTL) means. This is not helped by a lack of a clear definition of these terms and some contradictory descriptions of what they involve, particularly around the features of being the media and being mass media. The important aspect in all questions for this paper is that all terms are considered in context.

Here the context is for a local estate agent business promoting its services and in that context the use of a local newspaper is both part of the media and, for this business the use of mass media, hence it is ATL. The For Sale signs and the pictures in the windows were under the direct control of *Javelin* in terms of where and how they were placed and did not involve either the media or mass media and were BTL. Classifying on the basis of cost was a problem and depended on how candidates expressed themselves. Clearly all of these forms of promotion had some cost. Also the relative costs were not clear, as placing many pictures in the window might have been more costly than a weekly advertisement for a dozen pictures in the newspaper.

The question did ask candidates to examine if the methods were ATL or BTL but some candidates made blanket decisions that all of the methods had to be ATL or all BTL, rather than considering each individually.

2(b)

This was another question where a significant number of candidates did not follow the basic instruction - to consider the conditions of the market in February 2009. Their answers were, therefore, very general and only focused on basic features of the methods, such as advertisements in the paper not being seen by all the readers. Candidates who started with the conditions tended to give well reasoned answers, and gave comparisons with the other methods.

3

PEST is a popular topic area for candidates and most candidates responded well to the question giving reasoned and applied answers that achieved Level 3. The majority of candidates went through all four elements of PEST even though there was no reference in Figure 1 to any part of the technological element. This did mean that time was wasted on dealing with this when additional development could have been given to one of the other elements that did apply.

Candidates failed to gain marks for the following reasons:

- The E was taken to mean Environmental.
- General answers were given with no reference to the information on Figure 1.
- Candidates added information from what was happening in the real world,

- such as the change in VAT, but that was not from Figure 1.
- Candidates made the wrong assessments of which parts were political, particularly in terms of what caused the recession.

This question did ask candidates to evaluate the 'extent' of the affects from these external influences. Very few candidates picked up on this requirement and that limited most answers to only Level 3.

4

This question was based on the Ansoff Matrix and in order for candidates to answer it they needed to know how the segments were defined in terms of new and existing products and markets. Some candidates did not know what the segments were and either described the wrong ones or described general points about, for example, how markets might develop with no reference to product or targets markets.

4(a)

Even candidates who did not know what market penetration meant were able to give a general reason why expansion would not have been advisable in February 2009. Some candidates confused market penetration with penetration pricing. Candidates who knew the term tended to give well reasoned answers and scored high marks.

4(b)

Those candidates who understood the term either scored well because they chose an appropriate example, or scored poorly because an inappropriate example was taken. Details of the current market for *Javelin* were given in Figure 1. The product was properties and the current market was individuals buying in Leicester or Loughborough. There was no indication as to who these individuals were, and no individuals were excluded. There was a significant number of candidates who gave the new market as students or pensioners, but there was nothing in Figure 1 to suggest that these were not groups of individuals that *Javelin* was already selling to. A similar problem occurred in part (c).

Some candidates took market development to mean a new product in an existing market, and so gained no marks. Some candidates gave an appropriate example, but did not develop their answer to analyse why it was appropriate. This was also a problem for part (c).

4(c)

For those candidates who knew that diversification was a new product in a new market, there was still the challenge of choosing an appropriate example. In addition to the problem of having a distinct new market some candidates did not give a new product. Examples included selling houses abroad and selling bungalows, still both properties.

5(a)

Candidates who answered this question in context, showing how *Javelin* collected the information scored full marks. The best candidates also made it absolutely clear that the data being collected was new/original. The use of the correct words is vital when candidates are explaining what they mean. It is not sufficient, for example, to

simply say that the research was carried out by the business, or for the business's benefit. This could include research of previously published data, and that would not be primary.

5(b)

This remains a very poorly understood concept with most candidates either failing to provide a meaningful answer or possibly gaining marks by luck because they identified the people making enquiries. A significant number of candidates took this to mean what type of sampling was used and gave pretty much any answer that came into their heads, e.g. random, cluster and quota.

5(c)

Most candidates did think about the way the research had been conducted and could identify likely constraints. These were then, generally, explained in terms of why the sampling method caused the constraint. Only the best candidates framed this in terms of the conditions at the end of 2008 and the beginning of 2009 to gain full marks. Bizarrely one candidate argued that there would also be constraints if a survey was carried out in a public convenience.

6(a)

This was well answered by most candidates, many of them scoring full marks. Although place and price were the obvious two elements to take candidates also argued well in support of making decisions about promotion and also focusing on the sale of particular types of property for the product. Where some candidates failed to score marks was through not outlining a suitable decision that could be made, or only dealing with one element of the marketing mix.

6(b)

This was also generally well answered with most candidates achieving Level 3. What let down many candidates was a lack of development in their answers. There was a considerable amount of useful data provided, some of which showed contradictory positions. The better candidates noted this and used the data to make comparisons across the two locations and hence well reasoned justifications for selecting one of the locations.

There were candidates who thought that the data referred to *Javelin's* sales rather than to the average house prices and sales in the two locations. Some candidates confused the sales with the prices and vice versa. Where candidates tried to work out the value of the total sales, by multiplying all sales by the average price, there was a wide range of answers, many of them incorrect. The approach was good but the execution poor.

Questions based on own study of examples during the course

The correct choice of business, product and real marketing campaign remains absolutely vital for providing good answers to these two final questions. Basic rules for preparing for and answering these questions were given in the summer 2008 report to centres and those should be checked. There were some poor choices in this series and also some easy marks lost because candidates did not answer the actual question asked.

7

There are many products that have specific launch dates, designed to generate high initial sales and businesses will choose that date with great care. Most candidates were able to choose a product that in some way matched this, but often lacked knowledge of why a specific date had been selected, making part (b) difficult to answer. The product chosen also needed to be one that then declined before the start of the main growth period.

Some candidates chose inappropriate products such as Cadbury's cream eggs. Most of these candidates struggled to give more than the most basic objective, could not justify a specific launch date and could not explain the decline and subsequent growth beyond saying that an event such as Easter was over.

7(a)

Most candidates who had chosen an appropriate product could give a basic objective related to having a specific launch date. Only a minority then went on to explain why that objective would be met because of having a specific launch date.

7(b)

Candidates, who had specified an actual date, or period, were generally able to argue the significance of having that specific date. Many candidates simply developed the answer they had given in part (a) with no reference to the specific launch date the business had chosen.

7(c)

Many candidates only considered why the sales fell and either made vague statements about sales inevitable going into a growth stage, or ignored it altogether. There were also some very good answers where candidates showed a good understanding of what had actually happened to the product life cycle and why it had followed this pattern.

8

Despite very similar questions having been asked in previous papers, and this being a very common pricing strategy, and the meaning being given in the stem, some candidates clearly did not know, or understand, what a loss leader was. Many of these candidates ignored the leader element completely and chose products that were simply being lowered in price. Where this occurred these candidates failed to score in any part of the answer.

8(a)

The product chosen was either right or wrong, but in some cases this was only obvious once the answer to part (c) had been read. The use of loss leaders is very common in supermarkets and candidates who chose products there tended to give good answers for all parts of Q8.

8(b)

The quality of answers to this question depended primarily on how carefully the candidates had read the question. There were good answers but there were also two main weaknesses. First, some candidates did not write about how the loss leader offer was promoted, tending to write about what a loss leader does. Second, some did not explain why the promotion was effective in persuading customers.

8(c)

Again the main reason why candidates failed to gain marks, other than not having a loss leader, was that they did not read the question carefully enough. They did not consider the nature of the specific product(s) chosen as a loss leader. Instead they wrote about what a loss leader does in general terms, which was not what was asked for.

Issues for future series

The specific assessment for Quality of Written Communication (QWC) that was introduced in this summer series will now form an imbedded appraisal of candidates work. The general requirements shown in the new specifications for the course are given below.

QWC was always being assessed, because the way candidates expressed themselves had a major impact on the clarity of what they were saying. That will continue to be the case for all questions they answer and candidates should use good QWC throughout. For the purpose of specific assessment QWC will be considered primarily with reference to the extended answer questions. For this paper that will be the two questions with 11 marks. This will be indicated, for the benefit of candidates with an * against the question. Note, however, that candidates must not assume that this is the only part of the paper where QWC is being assessed and good written communication is vital for all questions.

The points listed below repeat comments made on previous reports, but they are ones that are still **not** being addressed by many candidates - hence unnecessarily missing out on marks.

1. **The applied approach** - All businesses used in these papers relate to real businesses, either named or with the names changed. Preparation for this paper should, therefore, include as much study of the promotional techniques used by real businesses as possible.

2. **Terminologies** - Candidates need to know all of the terms given in the syllabus and common terms that relate to the real world of marketing.

3. Reading the question/following instructions - Many marks are still being unnecessarily lost, simply because candidates have not read the question carefully enough or taken the context into consideration.

4. Questions requiring extended answers - There will continue to be two questions with 11 marks in the future series. Students should be shown how to develop their answers so that they can provide in-depth and detailed answers for these questions.

5. Questions based on own study - Students must be able to use knowledge and understanding of a wide range of real marketing campaigns in order to answer questions on any part of the syllabus. This must be in sufficient depth to show the details of the actual campaigns.

Please also note the comments made about online marking in previous reports and the comments made about writing only to the space provided on the paper itself. Centres need to ensure that their candidates are not being disadvantaged simply because of the layout of the paper. Additional work outside of the specified area on the paper, or on additional sheets, is totally acceptable, but, when this is done, it is vital that the candidates indicate somewhere on their answer to a specific question that they are using additional paper or completing the answer somewhere else in the actual booklet. Preferably, they also indicate where the rest of the answer is.

Grade Boundaries - June 2010

6925	Total	A*	A	B	C	D	E
Raw Mark	90	60	54	48	43	38	33
UMS	100	90	80	70	60	50	40

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